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April 19, 2005

Mary L. Cottrell, Secretary
Department of Telecommunications & Energy
Commonwealth of Massachusetts
One South Station, 2nd Floor
Boston, MA 02110

**Re: D.T.E. 05-28 – DSCI Corporation’s Complaint for Declaratory
Orders and Request for Expedited Review**

Dear Ms. Cottrell:

Enclosed for filing is Verizon Massachusetts’ Answer to the Complaint of DSCI Corporation for Declaratory Orders and Request for Expedited Review.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Keefe B. Clemons".
Keefe B. Clemons

Enclosure

cc: Carol M. Pieper, Hearing Officer
Paula Foley, Assistant General Counsel
Michael Isenberg, Director – Telecommunications Division
Robert J. Munnely, Jr., Esquire

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Complaint of DSCI Corporation)	
For Declaratory Orders to Ensure)	Docket No. 05-28
Verizon Massachusetts' Compliance)	
With Resale Obligations with Respect)	
To Customer Specific Pricing Contracts)	

**ANSWER OF VERIZON MASSACHUSETTS TO THE COMPLAINT
OF DSCI CORPORATION FOR DECLARATORY ORDERS AND
REQUEST FOR EXPEDITED REVIEW**

Verizon New England Inc., d/b/a Verizon Massachusetts ("Verizon MA") hereby Answers the Complaint of DSCI Corporation ("DSCI") for Declaratory Orders and Request for Expedited Review filed with the Department on March 24, 2005. In its Complaint, DSCI seeks expedited declaratory rulings concerning what DSCI claims are "unreasonable and unlawful practices" by Verizon MA "that have delayed, and to date prevented," DSCI from reselling Verizon MA customer-specific pricing ("CSP") contracts and similar arrangements to DSCI end-user customers. There is no merit to DSCI's claims. Verizon MA has made its CSPs available to DSCI for resale to the extent required by applicable federal and state law, including Verizon MA DTE Tariff No. 12 and the Department's orders, and has undertaken reasonable efforts to provide DSCI with the information necessary to identify and resell Verizon MA's CSPs while complying with contractual and legal obligations to protect confidential customer information contained in such contracts. Unfortunately, DSCI is unwilling to abide by the contractual and tariff restrictions applicable to the resale of those contracts, is seeking to resell such contracts in a manner prohibited by their terms, and is unreasonably demanding that Verizon MA permit DSCI to resell CSPs across customer classes in a manner that

fundamentally and inappropriately alters the intended scope of those agreements to the financial detriment of Verizon MA. The Department should, therefore, dismiss DSCI's Complaint and in doing so should find that the limited restrictions on the resale of the CSPs as described herein are reasonable and nondiscriminatory.

In response to the specific numbered paragraphs in DSCI's Complaint, Verizon MA Answers as follows:

1. Verizon MA does not dispute the allegation in this paragraph.
2. Verizon MA denies the allegation in this paragraph to the extent that it suggests that the Department has specifically authorized DSCI to provide local exchange service and other telecommunications services in the Commonwealth. The Department has no rules requiring that carriers be certified by it.
3. On information and belief, Verizon MA admits that DSCI provides "enterprise voice, data and Internet telecommunications services" to its customers in Massachusetts. Verizon MA lacks information sufficient to form a belief as to the truth or falsity of DSCI's allegation that it provides the identified services to "thousands of locations" in Massachusetts. In response to the second sentence in this paragraph, Verizon MA lacks information sufficient to form a belief as to the identity of other carriers from whom DSCI purchases network services or the specific nature of the businesses DSCI serves in the Commonwealth using network services it purchases from Verizon MA and/or other carriers.
4. Verizon MA admits the allegation in this paragraph.
5. Verizon MA admits the allegations in this paragraph.
6. Verizon MA admits the allegations in this paragraph.

7. Verizon MA admits that the Department has regulatory jurisdiction over the intrastate telecommunications services and charges that are the subject of the Complaint.

8. Verizon MA admits the allegation in this paragraph.

9. Verizon MA admits the allegation in this paragraph.

10. Verizon MA admits that CSP arrangements are available for resale at a wholesale discount. However, to the extent that DSCI is referencing in this paragraph the discount set by the Department in the *Consolidated Arbitrations*, D.T.E. 96-73/74, 96-75, 96-80/81, 96-83, 96-94 (Phase 2) (December 3, 1996), Verizon MA denies that it represents Verizon MA's avoided costs. Further answering, Verizon MA states that the referenced state tariff, interconnection agreement, and federal regulations speak for themselves, and Verizon MA refers the Department to those documents for their meaning and effect. Verizon avers that DSCI is not proposing to resell Verizon CSP arrangements only to similarly situated customers as required by its interconnection agreement, but to all of DSCI's customers, whether or not similarly situated within the Commonwealth of Massachusetts and its eligible purchasing entities.

11. In response to the allegations in this paragraph, Verizon MA states that the referenced August 13, 2004, Notice of Discontinuation, a copy of which is attached as "Exhibit C" to DSCI's Complaint, speaks for itself, and Verizon MA refers the Department to that document for its meaning and effect. Further answering, Verizon MA admits that in the referenced August 13, 2004, Notice of Discontinuation of Unbundled Network Elements, and several notices thereafter, Verizon MA identified resale as one of a number of alternatives to UNE-P services that are available to CLECs.

12. Verizon MA admits the allegations in this paragraph.

13. Verizon MA admits the allegations in this paragraph.

14. Verizon MA admits that Pamela McCann, Executive Director Product Management/Product Development for Verizon, sent the document attached as “Exhibit B” to DSCI’s Complaint and refers the Department to that document for its meaning and effect.

15. Verizon MA admits the allegations contained in this paragraph. Further answering, Verizon MA states that since receiving DSCI’s request, it has worked diligently and in good faith to provide DSCI the information it requested regarding CSP resale pricing and to determine whether DSCI’s planned use of various identified CSPs would meet the “similarly situated customer” requirement.

16. Verizon MA admits the allegations contained in the first sentence of this paragraph. In response to the allegation in the second and third sentences of this paragraph, Verizon MA states that the referenced COMA CSP speaks for itself and refers the Department to that CSP to identify the services and applicable rates under that CSP. All other allegations are denied.

17. Verizon MA denies the allegations contained in the first sentence of this paragraph to the extent it suggests that the terms and conditions of the COMA CSP would permit DSCI customers that are not “eligible entities” as that term is defined in DTE MA No. 12, Part A, Section 4.8.1.A to obtain services under that CSP. Section 4.8.1.A restricts the class of customers to which the COMA CSP is available as follows:

The Commonwealth of Massachusetts and its agencies are eligible to purchase services based on the statewide contract. Eligible entities include all constitutional offices, the legislature, and the judiciary; cities, towns, municipalities, counties and other political subdivisions of the Commonwealth including schools, and other service districts; authorities, commission, institutions of higher education, and quasi-public agencies,

and eligible Not-For Profit entities currently contracting with the Commonwealth to provide human and social services and other eligible entities designated in writing by the State Purchasing Agency.

Verizon MA's agreement to provide certain services to these eligible entities under the terms of the COMA CSP arose out of state procurement law (801 C.M.R., Section 21.04) ("OSD [the Commonwealth's procurement department] shall establish Statewide Contracts for Commodities or Services, or both, which shall be available to Departments and other entities authorized by OSD.") and bid requirements. These requirements mandated, as a condition of Verizon MA's participation in the Commonwealth's bid process, that Verizon MA agree to provide the covered services--at the same low rates and favorable terms and conditions--not only to the Commonwealth itself, but other "eligible entities" on whose behalf the Commonwealth was negotiating such rates. (The Commonwealth, thus, acted as a "conduit" for the purchase by such entities of such telecommunications services.) These entities include certain non-profit organizations, contractors and "entities contracting with the Commonwealth" that by themselves would not otherwise be able to secure such favorable rates, terms and conditions for such services. The Commonwealth's competitive state procurement practices and bid requirements described above impose unique requirements upon Verizon MA in its provision of telecommunications services to the Commonwealth. Thus, the COMA CSP reflects low rates and favorable terms and conditions — including, for example, the absence of termination liabilities — that are narrowly tailored to serve the needs of entities eligible to purchase telecommunications services under the CSP. Thus, it is not reasonable or appropriate to permit a CLEC to resell the services available under this CSP to a class of customers that is not similarly situated with and is different from the

eligible entities permitted to purchase such services under such CSP. To require what DCSI demands would jeopardize the ability of Verizon to afford rates and terms to the Commonwealth and eligible entities that would not otherwise qualify for rates and terms set forth in statewide contracts with the Commonwealth.

18. Verizon MA admits the allegations contained in this paragraph.

19. Verizon MA admits the allegation contained in this paragraph. Verizon MA denies the allegations in this paragraph to the extent that they suggest that the information provided supports DSCI's conclusion that its customer base "met any possible requirement based on numbers of access lines" contained in the COMA CSP or that DSCI should be permitted to resell the COMA CSP to end users other than "eligible entities" as defined in the COMA CSP. Further answering, Verizon MA states that none of the information that DSCI provided to Verizon MA suggested – much less indicated – any intent on the part of DSCI to resell the COMA CSP to DSCI's customers that were not "eligible entities" as defined in the COMA CSP.

20. Verizon MA admits the allegation contained in this paragraph. Further answering, Verizon MA states that at the time it made the referenced communication to DSCI, Verizon MA believed, based on the information DSCI had provided to Verizon MA, that DSCI intended to comply with the terms of the COMA and Customer 38 CSPs and thus to resell these CSPs only to eligible entities. When Verizon MA later learned that DSCI was attempting to resell these CSPs to customers that were not "eligible entities," Verizon MA immediately clarified that these CSPs could not be resold to customers that were not "eligible entities" as defined in those CSPs.

21. Verizon MA admits that on January 5, 2005, it forwarded a letter agreement for DSCI to sign so that DSCI could begin reselling the COMA CSP and that Verizon MA did not forward a similar agreement for the Customer 38 CSP at that time. In further response to the allegations in the first and second sentences of this paragraph, Verizon MA states that it did not provide DSCI with a similar letter agreement for the Customer 38 CSP because, as of January 5, 2005, DSCI had only requested such a letter agreement for the COMA CSP. It was not until January 10, 2005, that DSCI clarified in an e-mail to Pamela McCann of Verizon that DSCI was also seeking to resell the Customer 38 CSP. *See Exhibit G to DSCI Complaint (E-Mail from Sean Dandley to Pamela McCann dated January 10, 2005).* Verizon MA denies the allegations contained in the third sentence of this paragraph. The referenced letter provides that Verizon “understand[s] DSCI has reviewed a copy of the ICB,” and DSCI explicitly acknowledged and agreed in that letter that it would resell in accordance with the restrictions in their interconnection agreement and the CSP. Further answering, Verizon MA states that the entire COMA CSP was not included in the tariff because the entire COMA CSP was voluminous; the Department was advised of that fact in the letter accompanying the filing of that CSP.

22. Verizon MA admits the allegations in this paragraph.

23. In response to the allegations in this paragraph, Verizon MA states that the referenced e-mail attached as “Exhibit G” to DSCI’s Complaint speaks for itself, and refers the Department to that e-mail for its meaning and effect. The foregoing notwithstanding, Verizon MA admits that DSCI sought, among other things in the referenced e-mail, clarification as to whether it would be able to resell the COMA CSP at the applicable usage rates subject only to the restrictions that: (1) DSCI not resell those

services “to any organization that is already under contract” for those rates and (2)

DSCI’s access to those rates would expire when the COMA CSP expires.

24. Verizon MA admits the allegations contained in this paragraph.

25. In response to the allegations in this paragraph, Verizon MA states that the referenced e-mails attached as “Exhibit H” to DSCI’s Complaint speak for themselves and refers the Department to those e-mails for their meaning and effect. Further answering, Verizon MA states that from January 10, 2005 until March 3, 2005, Verizon MA did not know that DSCI intended to resell the COMA CSP to its end user customers who are not “eligible entities” as explicitly required by the COMA CSP. On March 3, 2005, Verizon MA’s counsel sent an e-mail to DSCI providing the tariff language that defined “eligible entities” and clarifying that if a DSCI customer is an “eligible entity” as defined in the tariff, then that customer could purchase services under the COMA CSP from DSCI (assuming the customer complies with whatever legal requirements it must satisfy), but that if DSCI’s customer was not an eligible entity as defined in the tariff, it could not purchase under the COMA CSP from DSCI.

26. Verizon MA admits the allegations in the first sentence of this paragraph. In response to the second sentence of this paragraph, Verizon MA states that the referenced resale document, a copy of which is attached as “Exhibit I” to DSCI’s Complaint, speaks for itself and refers the Department to that document for its meaning and effect. In response to the third sentence in this paragraph, Verizon MA admits that the letter agreement signed by DSCI on February 18, 2005, contained no details on what Verizon MA considered to be the “relevant” terms and conditions in the COMA CSP, but states that that fact is irrelevant since prior to signing that document, DSCI had ample

opportunity to review the tariff and inspected the underlying contract, and thus clearly knew or should have known the relevant CSP terms and the potential impact of such terms on DSCI's resale objectives.

27. Verizon MA admits the allegations in this paragraph.

28. Verizon MA admits that, in light of apparent confusion over the issue, on March 3, 2005 – immediately upon realizing that DSCI intended to resell services under the COMA CSP to end user customers that were not “eligible entities” as defined in that CSP – Verizon MA informed DSCI that all orders processed under the COMA must be limited to “eligible entities” as defined in the tariff. Verizon MA admits the allegations in the second sentence of this paragraph. Further answering, Verizon MA states that while 47 C.F.R. § 51.613 does not expressly authorize cross-class limitations between state and local agencies and business customers, it does authorize an ILEC to impose such a restriction where it demonstrates to a state commission that such a restriction is “reasonable and nondiscriminatory.” 47 C.F.R. § 51.613(b). Verizon MA's limitations on the resale of the COMA CSP meet both these criteria. As discussed above in its response to paragraph 17, Verizon MA's agreement to provide certain services to eligible entities under the terms of the COMA CSP arose out of state procurement law and bid requirements. These requirements mandated, as a condition of Verizon MA's participation in the Commonwealth's bid process, that Verizon MA agree to provide the covered services — at the same low rates and favorable terms and conditions — not only to the Commonwealth itself, but other “eligible entities” on whose behalf the Commonwealth was negotiating such rates. (The Commonwealth, thus, acted as a “conduit” for the purchase by such entities of such telecommunications services.) These

entities include certain non-profit organizations, contractors and “entities contracting with the Commonwealth” that by themselves would not otherwise be able to secure such favorable rates, terms and conditions for such services. The Commonwealth’s procurement requirements described above impose unique requirements upon Verizon MA in its provision of telecommunications services to the Commonwealth. Thus, the COMA CSP reflects low rates and favorable terms and conditions — including, for example, the absence of termination liabilities — that are narrowly tailored to serve the needs of entities eligible to purchase telecommunications services under the CSP. Thus, it is not reasonable or appropriate to permit a CLEC to resell the services available under this CSP to a class of customers different from the eligible entities permitted to purchase such services under such CSP. Verizon MA’s proposal that DSCI be limited to reselling the COMA CSP (as well as the Customer 38 CSP) to eligible entities (subject to any legal obligations to which such entities are subject – such as any requirement that such entities purchase telecommunications services only after a competitive bid process) is a narrowly tailored limitation that allows DSCI to provide services to such customers in competition with Verizon MA, while appropriately denying DSCI (or any other CLEC) the ability to unfairly expand the benefits contained in that CSP – which, again, arose out of a procurement process unique to state entities – to a class of customers (namely, business customers) that are not intended to receive the benefits of the Commonwealth’s competitive procurement practices and bid requirements. The Department should thus find that Verizon MA’s limitations are reasonable and nondiscriminatory.

29. Verizon MA admits the allegations in this paragraph.

30. Verizon MA lacks information sufficient to form a belief as to the truth or falsity of the allegations in the first sentence of this paragraph. Verizon MA admits that, in the course of various communications regarding this matter, Verizon MA provided DSCI with several different estimates of the volume (usage) commitments applicable to the Customer 38 CSP. Verizon MA did not immediately provide the *actual* volume commitment in the Customer 38 CSP because that information is proprietary and Verizon MA was required to secure authorization from Customer 38 prior to disclosing that information. (Verizon MA instead provided DSCI with information about the relative size of the volume commitment figures in the Customer 38 CSP in order to determine whether DSCI could meet such (lower) figures; Verizon MA indicated to DSCI that if DSCI could not meet such (again lower) figures, then DSCI would not be able to meet the volume commitment figures in the Customer 38 CSP). Subsequently, Verizon MA secured that authorization and provided the requested information to DSCI on March 21, 2005. A copy of the e-mail transmitting that information is attached as Exhibit 1.

Verizon MA denies the allegations contained in the first and second sentence of this paragraph to the extent they imply that Verizon MA's provision of different information reflected bad faith. Verizon MA denies the allegation in the third sentence of this paragraph that "Verizon has stated for the past three months that it is trying to track down language regarding the volume commitments for usage under [the] Customer 38 CSP." Verizon MA admits that during the referenced three month period it has sought and obtained required authorizations from the Commonwealth to disclose the requested information to DSCI.

31. Verizon MA denies the allegations contained in this paragraph. Verizon MA provided the “actual figure for the volume commitment and, what, if any, penalties would apply if the commitments are not met” to DSCI *via* e-mail on March 21, 2005, three days prior to DSCI’s filing of its Complaint. Further answering, Verizon MA states that it lacks sufficient information to form a belief as to the truth or falsity of DSCI’s stated belief that it will be able to meet the usage commitments outlined in the Customer 38 CSP.

32. Verizon MA admits the allegations contained in this paragraph.

33. Verizon MA denies the allegations contained in this paragraph. The referenced retail documents, contracts and price quotes were retail offers Verizon MA extended to Colonial, and Verizon MA and Colonial never entered into a CSP reflecting those rates terms and conditions. In response to the third sentence in this paragraph, Verizon MA lacks sufficient information from which to determine the basis for DSCI’s calculation of the “54% discount” it alleges was reflected in Verizon MA’s price quote to Colonial and is therefore unable to determine the truth or falsity of DSCI’s allegation relating to that calculation.

34. Verizon MA admits that it denied DSCI’s requests to resell to Colonial at the same price and terms contained in Verizon MA’s price quotes to Colonial and that it required DSCI to identify a CSP to resell to Colonial. In further answering, Verizon MA states that the prices and terms quoted did not constitute a CSP and therefore was not subject to resale. Verizon MA admits the allegations contained in the second sentence of this paragraph.

35. Verizon MA denies that on December 17, 2005, Verizon MA advised DSCI that it could resell the “Colonial CSP.” Verizon MA admits that it informed DSCI that the Cape Cod Five CSP was available for resale and requested that DSCI forward the site locations of the customers to whom it intended to resell so that Verizon MA could determine whether DSCI would be reselling in accordance with the terms of that CSP.

36. Verizon MA admits that it received the Colonial site information, but denies that it made any representations to DSCI that orders could now be processed.

37. Verizon MA admits that it advised DSCI that the Cape Cod Five CSP contained certain geographic restrictions that DSCI would be required to comply with in the event it chose to resell that CSP. Verizon MA denies the allegations in the first sentence of this paragraph to the extent they may be construed to suggest that Verizon MA would not allow DSCI to resell the Cape Code Five CSP if it complied with the terms and conditions of that CSP, including, but not limited to the geographic restrictions. Verizon MA admits the allegations in the second sentence of this paragraph, but states that DSCI did not request such information. Verizon MA admits the allegations contained in the third sentence of this paragraph.

38. Verizon MA admits the allegations contained in the first sentence of this paragraph. In response to the second sentence, Verizon MA admits that DSCI provided Verizon MA with what it describes in this paragraph as “other examples in the tariff of service priced at or below the rates quoted to Colonial.” The remaining allegations in the second sentence of this paragraph reflect DSCI’s statement of belief, to which no response is required.

39. Verizon MA denies the allegations contained in the first sentence of this paragraph. As DSCI states in paragraph 37, Verizon MA advised DSCI that the Cape Cod Five CSP was not available for resale to Colonial due to location restrictions contained in the Cape Cod Five CSP. As DSCI states in paragraph 34 of its Complaint, Verizon MA denied its request to serve Colonial via what DSCI describes as the “Colonial Proposal” and which, in fact, was not a CSP, did not reflect Verizon MA’s provision of service to a customer (on a retail basis or otherwise), and was therefore not available for resale.

40. Verizon MA admits the allegations contained in this paragraph.

41. Verizon MA lacks sufficient information from which to determine DSCI’s motivation in doing so, but admits that DSCI sent Verizon MA an “Open Items” e-mail focusing on its view of the procedural issues relative to CSPs and requests for responses to its requests for resale of Colonial and Customer 38 CSPs. Verizon MA denies the remaining allegations in this paragraph.

42. Verizon MA denies the allegations contained in this paragraph.

43. Verizon MA admits the allegations in the first and second sentences of this paragraph. In response to the third sentence of this paragraph, Verizon MA admits that it refused to allow DSCI to use the usage rate under its currently effective Corporate Awards contract as the usage rate applicable to its resale of the Customer 38 CSP. Further answering, Verizon MA states that the referenced tariff language speaks for itself and refers the Department to that tariff reference for its meaning and effect. In addition, DSCI’s Corporate Rewards Resale Contract explicitly prohibits DSCI from using Corporate Rewards with a CSP (like the Customer 38 CSP) that contains a usage

component. *See* MA DTE Tariff No.10, Part A, Section 15.10.2.B.1. Verizon MA denies the allegations in the fourth sentence of this paragraph to the extent it suggest that DSCI is entitled to use the usage rates applicable under its Corporate Rewards Resale Contract as the usage rate applicable to its resale of the Customer 38 CSP.

44. Verizon MA lacks information sufficient to form a belief as to the truth or falsity of the allegations in the first and second sentence of this paragraph. To the extent these allegations refer to calls made by Ms. Donmoyer to Mr. Patrick McCarthy of Verizon, Mr. McCarthy merely advised Ms. Donmoyer that the matter had been referred to Verizon's Legal Department following the initiation of DSCI's Complaint. Verizon MA denies that it is preventing DSCI from reselling either the Customer 38 or COMA CSPs. In the case of the COMA CSP, DSCI may currently place orders for eligible entities as discussed above. In the case of the Customer 38 CSP, Verizon is ready and willing to work with DSCI to finalize its resale of that CSP. All other allegations in this paragraph are denied.

45. Verizon MA denies the allegations contained in this paragraph and that its conduct in connection with the matters at issue in the case has been unreasonable or anticompetitive. Verizon MA denies that DSCI's Complaint warrants expedited review.

46. In response to this paragraph, Verizon MA incorporates and reasserts its responses to paragraphs 1-45, as if fully set forth herein.

47. The allegations in this paragraph consist of conclusions of law, to which no response is required, and the statute and rule cited by DSCI speak for themselves.

48. The allegations in this paragraph consist of conclusions of law, to which no response is required. Verizon MA denies that any action taken by it with respect to the

CSPs discussed in DSCI's Complaint was unreasonable, discriminatory, or prevented DSCI from using resale as a means of entry.

49. Verizon MA admits that resale of CSPs is an available means for a CLEC to serve customers under applicable state and federal law, but lacks sufficient information to form a belief as to whether the resale of CSPs "will grow in importance as UNE-P at regulated TELRIC rates is phased out." Verizon MA denies the allegations contained in the second sentence of this paragraph.

50. Verizon MA denies the allegations in this paragraph.

51. Verizon MA denies the allegations in this paragraph.

52. Verizon MA denies the allegations in the first sentence of this paragraph. In response to the remaining allegations in this paragraph, Verizon MA incorporates its response to paragraph 25, above.

53. Verizon MA denies the allegations in the first sentence of this paragraph. Verizon MA lacks information sufficient to form a belief as to the truth or falsity of the allegations in second sentence of this paragraph. Verizon MA denies the allegations in the third sentence of this paragraph.

54. Verizon MA denies the allegations in this paragraph. As discussed above in its response to paragraph 30, Verizon provided this information to DSCI on March 21, 2005.

55. Verizon MA denies the allegations in this paragraph.

56. Verizon MA denies the allegations in this paragraph. In response to DSCI's claim that it is "effectively barred from serving" its customers in the absence of the orders it seeks from the Department, Verizon MA states that there are, in fact, numerous

other alternatives available to DSCI to serve its customers, including other CSPs, as well as retail products such as Verizon's Corporate Rewards which DSCI is currently reselling to serve a number of its business customers. Verizon MA has also offered CLECs in Massachusetts and elsewhere non-251 commercial agreements that permit CLECs such as DSCI to continue to serve its customers using UNE-P arrangements, albeit at a higher cost than was available prior to March 11, 2005. While DSCI has elected not pursue this alternative, over 46 CLECs have entered into such agreements nationwide.

57. Verizon MA denies the allegations in this paragraph.

58. Verizon MA denies the allegations in this paragraph.

WHEREFORE, for all of the forgoing reasons, the Department should deny DSCI the relief it seeks in its Complaint.

VERIZON NEW ENGLAND INC., D/B/A
VERIZON MASSACHUSETTS,

By its attorneys,

A handwritten signature in dark ink, appearing to read "Bruce P. Beausejour", is written over a horizontal line.

Bruce P. Beausejour
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April 19, 2005

-----Original Message-----

From: srinivasan.soundararajan@verizon.com
[mailto:srinivasan.soundararajan@verizon.com]
Sent: Monday, March 21, 2005 5:13 PM
To: bruce.p.beausejour@verizon.com
Cc: sdandley@dscicorp.com; Tim Battles
Subject: Customer #38 Usage Figures

Sean,

The Customer #38 contract states that Verizon annual rates for Commonwealth agencies are calculated upon the Commonwealth maintaining at least 80% of their current usage volume or 107 million minutes of local usage, 49 million minutes of intraLATA toll and 18 million minutes of 800 usage.

If these levels are not met, the rates are to be renegotiated. In the absence of a renegotiated rate, pricing reverts to tariff pricing. We have not found any termination liabilities otherwise.

Feel free to contact me with any questions or comments.

Best,

Sandy

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